

March 2nd 2018

Excerpt from the 2018 Budget Address on Tourism Development

Introduction

We can all accept that there is ample room to grow and improve tourism in Saint Vincent and the Grenadines. Many of our neighbours have a more mature tourism product and exponentially larger tourist arrival numbers. The reasons for this difference are as obvious as they are diverse – from geography to topography to history to infrastructure to the traditional underpinnings.

The 2018 fiscal year marks the beginning of a new thrust in the expansion of our hotel room stock to capitalize on the opportunities created by the opening of the Argyle International Airport. Already, hotel expansion and new construction are underway nationwide, and the Minister of Tourism will elaborate on these. In Canouan, the Glossy Bay Marina project continues apace, with shops, restaurants, apartments and ancillary facilities, being added to the existing property. The expectation is for these additional works to be completed by the second quarter of 2018. The Pink Sands Hotel, now under the management of the prestigious Mandarin Oriental brand, will also enjoy its first full year in business.

On the mainland, the Blacksands Resort, a multi-million dollar development in Peters' Hope, has obtained the necessary first-phase, planning permissions and will commence construction this year. The project consists of 40 villas, totaling 160 rooms, and a 200-room hotel. Post-construction, the Resort is anticipated to employ 300 Vincentians when it is fully operational.

State owned hotel

The Government has made no secret of its intention to construct a state-owned, private-sector managed hotel or hotels to add 200 – 350 rooms to the current stock of high-quality tourist accommodation. This model is common throughout the region, with the Barbados Hilton, the Trinidad and Tobago Marriott and the Saint Kitts and Nevis Marriott being just a few of the many state-owned facilities that are managed by major international brands.

Thanks to a recent fruitful conversation with bilateral partners, I predict that the Government will be breaking ground on a new hotel, hopefully, in the fourth quarter of 2018, that will employ over 200 Vincentians.

Buccament Bay Resort

The closure of the Buccament Bay Resort has had an undeniably negative impact on tourist arrivals from the United Kingdom, which were flat regionally on Brexit-related concerns. This year, our stay-over arrivals from the United Kingdom fell by 29 per cent, due in no small part to the absence of the Resort. Further, over 200 talented and hard-working Vincentians were forced to find other jobs and endured great difficulty when the Resort was abruptly shuttered. Many of them are still owed wages from their work at the Resort.

Initially, the Government was given unduly optimistic estimates about when the Resort would re-open. Those estimates were based entirely on our conversations with the principals involved in the legal proceedings to navigate the hotel through the bankruptcy and insolvency process.

However, today, I can report that the investors and creditors of the Resort, in communication with the Bankruptcy Trustee, have approved a plan for the management of the Resort and are currently fine-tuning the details of management proposals from credible and competent entities with excellent track records in hotel management. The Bankruptcy Trustee has indicated that the final management agreement is expected to be signed in the

coming weeks, and that the Resort will definitely reopen in advance of the 2018 tourist season, after a three-month process of rehabilitation to the existing facility.

Cruise Ship Arrivals

Mr. Speaker, the opportunities presented by the surge in cruise arrivals, and the projections for further growth in this subsector, provide fertile ground for creative entrepreneurship and steady employment. In 2017, cruise arrivals to Saint Vincent and the Grenadines skyrocketed. Preliminary tourism figures suggest that cruise arrivals are up by a whopping 75% over last year, while the early returns from our primary cruise agent indicate that actual arrivals are in fact up close to 100%, with a 150% increase in capacity over last year.

The total capacity of all ships arriving in Saint Vincent from October 2016 to January 2017 was 52,000. The comparable just-concluded period was 130,000 – a 150 per cent increase. Contrary to what some believe, very little of this increase was due to the hurricane-related difficulties in Dominica, likely less than 10% of arrivals. This spike in cruise ships was anticipated long before the hurricanes that affected Dominica and Antigua and Barbuda, and all indications are that this season's record arrivals rate will be surpassed in the upcoming season. We have all heard the stories of the taxi and tour operators who have done extraordinarily well this cruise season.

The truth is that there are many more diverse opportunities a-begging for Vincentians to monetize this upsurge. We can and must do more to entice the visitors from their ships and across the length and breadth of Saint Vincent and the Grenadines. We can and must do more to encourage them to spend their money when they are ashore. In my consultations with the tourism sector in advance of this Budget presentation, I was heartened to hear how many businesses were enjoying significant direct benefits from the upsurge in cruise arrivals. Let us do more to capitalize on this growth.

This year, in addition to expanding air access and expected growth in visitors by sea, the Ministry of Tourism is enhancing the viability of existing local destinations through investments in new facilities at Villa Beach and Brighton Salt Pond; continuation of the Cayo Heritage Village at Argyle; and enhancements to existing amenities at Cumberland, the Botanical Gardens, Walliabout, Black Point, Dark View Falls, Belmont Lookout and the nature trails at Vermont, Trinity, Cumberland and La Soufriere.